STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES Land Division Honolulu, Hawaii 96813

August 26, 2011

Board of Land and Natural Resources State of Hawaii Honolulu, Hawaii

PSF No.: 08KD-014

Kauai

Request for Issuance of Revocable Permit to Garden Isle Racing Association Inc. (GIRA) of the Mana Drag Strip for Motorize Sports purposes. Kekaha, Waimea, Kauai, Tax Map Key: (4) 1-2-002: Portion 36 & 40.

APPLICANT:

Garden Isle Racing Association, Inc., a domestic nonprofit corporation, business and mailing address is P.O. Box 1691, Lihue, Hawaii 96766.

LEGAL REFERENCE:

Sections 171-13 and -55, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government Crown lands of Waimea situated at Kekaha, Waimea, Kauai, identified by Tax Map Key: (4) 1-2-002: Portion 36 & 40, as shown on the attached map labeled Exhibit A.

AREA:

80.5 acres, more or less.

ZONING:

State Land Use District:

Conservation District (L)

County of Kauai CZO:

Agriculture

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CURRENT USE STATUS:

Issuing Right-of-Entry Permits for individual racing events only.

CHARACTER OF USE:

Motorize Sports purposes.

COMMENCEMENT DATE:

The first day of the month to be determined by the Chairperson.

MONTHLY RENTAL:

Presently, \$120.00 per race event under Right-of-Entry permit. Monthly rent shall be determined by staff appraiser, subject to review and approval by the Chairperson.

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the "Division of Land Management's Environmental Impact Statement Exemption List", approved by the Environmental Council and dated April 28, 1986, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, that states Operations, repairs, or maintenance of existing structures, facilities, equipment of topographical features, involving negligible of no expansion of change of use beyond that previously existing."

The proposed use does not differ from the past use of the raceway track facility.

DCCA VERIFICATION:

Place of business registration confirmed: YES

Registered business name confirmed:

YES

Applicant in good standing confirmed:

YES

REMARKS:

The Kauai Recreational Facility Phase I was built by the Department of Transportation with an appropriation of the Legislature. GL S-4222 to Kekaha Sugar Company, Ltd and GEO S-1794 to the Hawaii National Guard Site encumbered this area. Board's approved at its June 10, 1971 meeting under Item F-20, withdrawn of Parcel I and 2 from GL S-4222 to Kekaha Sugar Company, Ltd. The Board at its February 25, 1972 meeting under Item F-11 approved the withdrawal of approximately 133 acres from GEO S-1794 to the Hawaii National Guard Site.

This facility at that time was to be set-aside to the County of Kauai. This set-aside was never processed because of the County of Kauai's reluctance in accepting the control and management of the facility.

The Land Board at its August 13, 1982 meeting approved under Item F-1-i the issuance of a Revocable Permit S-5948 to the Kauai Racing Association for the control and operation of the Mana Drag Strip. See Exhibit 'B'.

On September 30, 1986 this Revocable Permit S-5948 was canceled at the request of the Kauai Racing Association.

Since then the users of the Mana Drag Strip has use of the drag strip by means of a yearly right-of-entry permit for their planned racing schedule.

GIRA has operated by ROE at the facility since 1999. The GIRA will be able to better operate and maintain the Mana Drag Strip by being issued a Revocable Permit. This will allow GIRA to do on-going maintenance of the area and have a free hand to schedule races.

GIRA has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

This facility is presently situated on two (2) State owned parcels and would require subdividing and consolidation before a long term lease can be establish on this facility.

GIRA, Inc. in the past has requested and was issued right-of entry permits on a per race basis for their yearly schedule races. Therefore the month-to-month tenancy is more appropriate than long-term disposition.

DLNR – Office of Conservation and Coastal Lands commented that it understands that the parcel was withdrawn from a portion of the Hawaii National Guard site, pursuant to Governor's Executive Order No. 1794, and that drag-racing has been an on-going activity on the parcel. There are no new land uses or other activities being proposed; therefore OCCL has no objections or comment on the proposal. See Exhibit 'C'.

Comments were solicited from:

State Agencies:

DOA	No comments
DOH	Shall comply with Title 11, HAR, Chap. 11-12
DOT	No comments
SHPD	No historic properties will be affected
ОНА	No objections
OCCL	No objections – Exhibit 'C'

County Agencies

County Planning	No response by suspense date
Public Works Dept.	No comments
Dept. of Water	No objections

RECOMMENDATION: That the Board:

- 1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
- 2. Authorize the issuance of a revocable permit to Garden Isle Racing Association Inc., covering the subject area for Motorize Sport purposes under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - a. The standard terms and conditions of the most current revocable permit form, as may be amended from time to time;
 - b. Review and approval by the Department of the Attorney General; and
 - c. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
 - d. All concessions shall meet all permit requirements set by both the County of Kauai and State of Hawaii regulating agencies.

Respectfully Submitted,

Marvin Mikasa Land Agent

APPROVED FOR SUBMITTAL:

M

William J. Aila, Jf., Chairperson





STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES LAND DIVISION

POST OFFICE BOX 621 HONOLULU, HAWAII 96809

August 26, 2011

EXEMPTION NOTIFICATION

regarding the preparation of an environmental assessment pursuant to Chapter 343, HRS and Chapter 11-200, HAR

Project Title:

Revocable Permit to Garden Isle Racing Association (GIRA) for

use of Kauai Raceway Park Facility, Tax Map Key: (4) 1-2-002:

036 & 040 (por.) Mana, Kauai

Project / Reference No.:

08KD-014

Project Location:

Mana, Kauai

Project Description:

Revocable Permit for State owned lands

Chap. 343 Trigger(s):

Use of State lands, located in a conservation district.

Exemption Class No.:

In accordance with Hawaii Administrative Rules, Section 11-200-8(A), the subject project is considered to be exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 4, that states: "Minor alterations in the

conditions of land, water, or vegetation."

The exemption is appropriate, as issuing a revocable permit will not result in any material change to the property, as the applicant's use of the facility is limited by the terms and conditions of the revocable permit. This is not part of a multiphase project. As the facility has been in existence for a long period of time, a revocable permit for the use of the facility should not result in any significant cumulative impact.

Consulted Parties:

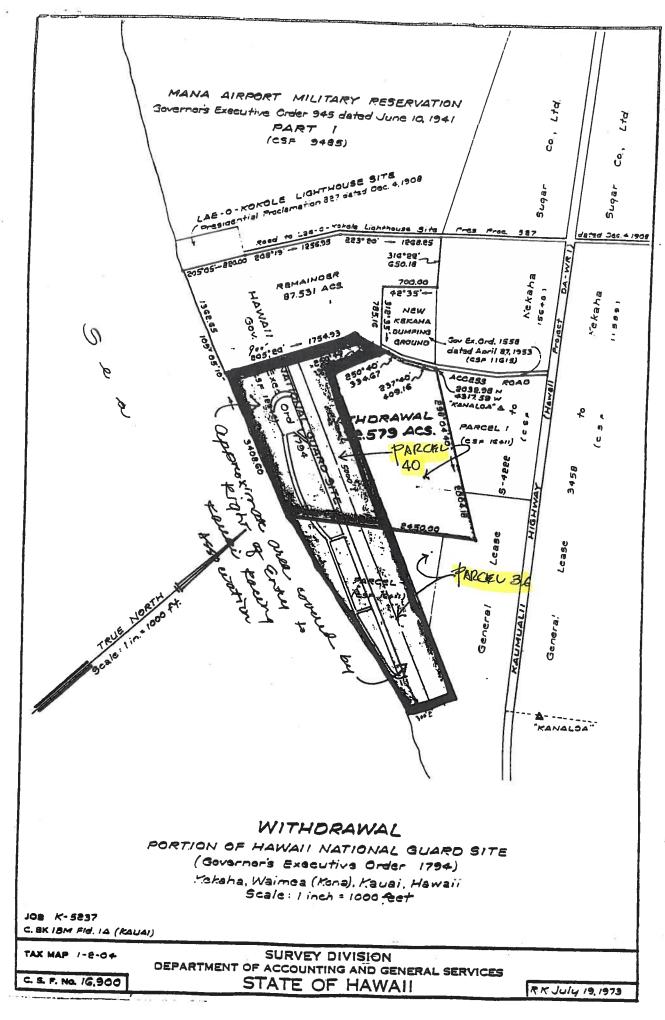
The Office of Conservation and Coastal Lands was consulted as a source authority having jurisdiction or expertise in this matter, and concurs that the exemption identified above is applicable to

and appropriate for the proposed project.

Exemption Notification for Revocable Permit to GIRA August 26, 2011 Page 2

Recommendation:

It is anticipated this project will probably have no minimal or no significant effect on the environment and is presumed to be exempt from the preparation of an environmental assessment.



STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES DIVISION OF LAND MANAGEMENT

REVOCABLE PERMIT NO. S-5948

KNOW ALL MEN BY THESE PRESENTS:

TH	MAT, effective the <u>lst</u> day of September , 19 82 ,
Kauai	Racing Association, whose mailing address is in care of
Jack	Wilhelm, , Lihue, Hawaii 96766,
of	County of Kauai , State of Hawaii,
on a me	after called the "PERMITTEE", is permitted to enter and occupy onth to month basis that certain parcel of Government land by improvements located thereupon) situate at Kekaha , Mana ,
Kauai,	the area known as the Mana Drag Strip
	<u> </u>
	County of Kauai ,
and mad	(City and) of Hawaii, as indicated on the plan attached hereto, if any, the a part hereof, containing an approximate area of 80.50 acres, more or less, fter referred to as the "Premises".
	RMIT IS GRANTED UNDER THE FOLLOWING CONDITIONS: Permittee:
1.	
	AUTOMOBILE RACING
	MOTOMODILLE RACING
2.	Shall pay, at the Office of the Department of Land and Natural Resources, Honolulu, Oahu, or at the Office of its Land Agent on the Island where said Premises are located, the sum of TWENTY-FIVE AND 00/100 DOLLARS
	(\$25.00) due and payable on the first of each and every
	month commencing September 1, 1982.

- 3. Upon execution of this Permit, shall deposit with the Board of Land and Natural Resources, hereinafter called the "Board", the sum of \$50.00 as security for the faithful performance of all of the terms and conditions herein. The whole or portion of said deposit will be returned to the Permittee upon termination of this Permit, but only after all of the terms and conditions of this Permit have been observed and performed to the satisfaction of the representatives of the Department of Land and Natural Resources.
- 4. Shall, at the Permittee's own cost and expense, keep the government-owned improvements located on the Premises insured against loss by fire and other hazards, casualties and contingencies, for the full insurable value of such improvements. Said policies are to be in favor of the Board and are to be filed and deposited with said Board. In the event of loss, damage or destruction of such improvements, the Board shall retain from the proceeds of the policies such amounts deemed by it to be necessary to cover the loss, damage or destruction of or to the government-owned improvements and the balance of such proceeds, if any, shall be delivered to the Permittee.
- Shall give the Board twenty-five (25) days' notice in writing before vacating the Premises.
- 6. If a holdover lessee or licensee, shall pay all real property taxes, which shall be assessed against the Premises from the date of this Permit, provided that a Permittee, not a holdover lessee or licensee, who has occupied the Premises for commercial purposes for a continued period of one year or more, shall pay the real property taxes assessed against said premises after the first year of the Permit as provided in Section 246-36(1) (d), Hawaii Revised Statutes.
- 7. Shall observe and comply with all laws, ordinances, rules and regulations of the federal, state, municipal or county governments affecting the Premises or improvements.
- Shall repair and maintain all buildings or other improvements now or hereafter on the Premises.
- Shall obtain the prior written consent of the Board before making any major improvements.
- 10. Shall keep the Premises and improvements in a clean, sanitary and orderly condition.
- 11. Shall pay when due, all payments for water and other utilities, and whatever charges for the collection of garbage that may be levied.
- 12. Shall not make, permit or suffer, any waste, strip, spoil, nuisance or unlawful, improper or offensive use of the Premises.
- 13. Shall at all times with respect to the Premises use due care for public safety and agrees to defend, hold harmless and indemnify the State of Hawaii from and against all claims or demands for damage, including claims for property damage, personal injury or death, arising on or about the

Premises, or by any fire or explosion chereon, or growing out of, or caused by any failure on the part of the Permittee to maintain the Premises in accordance with the terms and conditions of this Permit excluding, however, the use of the premises by such persons specifically authorized by the Board for hunting or other uses.

Shall procure, at its own cost and expense, and maintain during the entire period of this permit, a policy or policies of comprehensive public liability insurance, in an amount acceptable to the Chairman or his designated representative, insuring the State of Hawaii and the Permittee against all claims for personal injury, death and property damage excepting those claimants which have been specifically authorized to use the premises for hunting or other uses; that said policy or policies shall cover the entire premises, including all buildings, improvements and grounds and all roadways or sidewalks on or adjacent to the premises in the control or use of the Permittee. The Permittee shall furnish the State with a certificate showing such policy to be initially in force and shall furnish a like certificate upon each renewal of such policy, each such certificate to contain or be accompanied by an assurance of the insurer to notify the State of any intention to cancel any such policy sixty (60) days prior to actual cancellation. The procuring of this policy shall not release or relieve the Permittee of its responsibility under this permit as set forth herein or limit the amount of its liability under this Permit.

B. Additional Conditions:

- 1. The Board may revoke this Permit for any reason whatsoever, upon written notice to the Permittee at least
 thirty (30) days prior to such revocation; provided,
 however, that in the event payment of rental is delinquent
 for a period of ten (10) days or more, this Permit may
 be revoked without notice.
- 2. If the Permittee does not vacate the Premises upon the revocation of the Permit by the Board, the Permittee shall pay to the State liquidated damages at the daily rate of \$ 5.00 for each day, or portion thereof, the Permittee remains on the Premises over said date of revocation by said Board. Such payment is to be in addition to any other rights or remedies the Board may be entitled to pursue for breach of contract, or for illegal occupancy, including the right to evict the Permittee without court action, and the cost thereof to be paid by the Permittee.
- 3. The Board may at any time increase or decrease the monthly rental by written notice thereof at least thirty (30) days prior to the date of change of rent.
- 4. Any major improvements, including but not limited to buildings and fences, erected on or moved onto the premises by the Permittee shall remain the property of the Permittee and the Permittee shall have the right, prior to the termination of this Permit, or within such additional period as the Board in its discretion may allow, to remove such improvements from the Premises; provided, however, that in the event the Permittee shall fail so to remove such

improvements within thirty (30) days, after written notice to remove, the Board may elect to retain said improvements or shall remove the same and charge the cost of removal and storage if any to the Permittee.

- The Board reserves the right to itself, its agents and/ or representatives to enter or cross any portion of the premises at any time in the performance of its duties.
- This Permit or any rights hereunder shall not be sold, assigned, conveyed, leased, mortgaged or otherwise transferred or disposed of.
- It is understood that the Permittee has inspected the premises and knows the condition thereof and fully assumes all risks incident to its use.
- The acceptance of rent by the Permittor shall not be deemed a waiver of any breach by the Permittee of any term, covenant or condition of this permit nor of the permittor's right to declare and enforce a forfeiture for any such breach, and the failure of the Permittor to insist upon strict performance of any term, covenant or condition, or to exercise any option herein conferred, in any one or more instances, shall not be construed as a waiver or relinquishment of any term, covenant, condition or option.
- Should this Permit on a month-to-month basis extend for a period beyond one year from the date of issuance, any renewal of this Permit beyond such one year from the date of issuance shall be only upon approval of the Board of such extension.
- The use and enjoyment of the Premises shall not be in 10. support of any policy which discriminates against anyone based upon race, creed, color, national origin or a physical handicap.
- Permittee shall comply with the provisions set forth in the addendum which is attached hereto as page 5a.

Unless the text indicates otherwise, the use of any gender shall include all genders and, if the Permittee includes more than one person, the singular shall signify the plural and this permit shall bind said persons, and each of them jointly and severally.

Dated: September 23, 1982

STATE OF HAWAIT

Approved by the Board at its meeting held on

Chairman and Member of

the Board

August 13, 1982

(Item F-1-i)

And By: Member

Board of Land and Natural Resources

PERMITTEE

AUAI RACING ASSOCIATION

By Jan X Wille

By Cayund Laying

APPROVED AS TO FORM:

DEPUTY ATTORNEY GENERAL

DATE: Aug. 13, 1982

ADDENDUM

ADDITIONAL CONDITIONS UNDER WHICH THIS PERMIT IS GRANTED ARE AS FOLLOWS:

1. The Kauai Racing Association, hereinafter identified as the Permittee, shall obtain and file and keep active throughout the life of this permit a policy or policies of comprehensive public liability insurance in the name of the Permittee and the State of Hawaii. Said policy or policies shall insure the State of Hawaii and the Permittee against all claims for personal injury, death and property damage; that said policy or policies shall cover the entire premises, including all buildings, improvements and grounds and all roadways or sidewalks on or adjacent to the premises in the control or use of the Permittee.

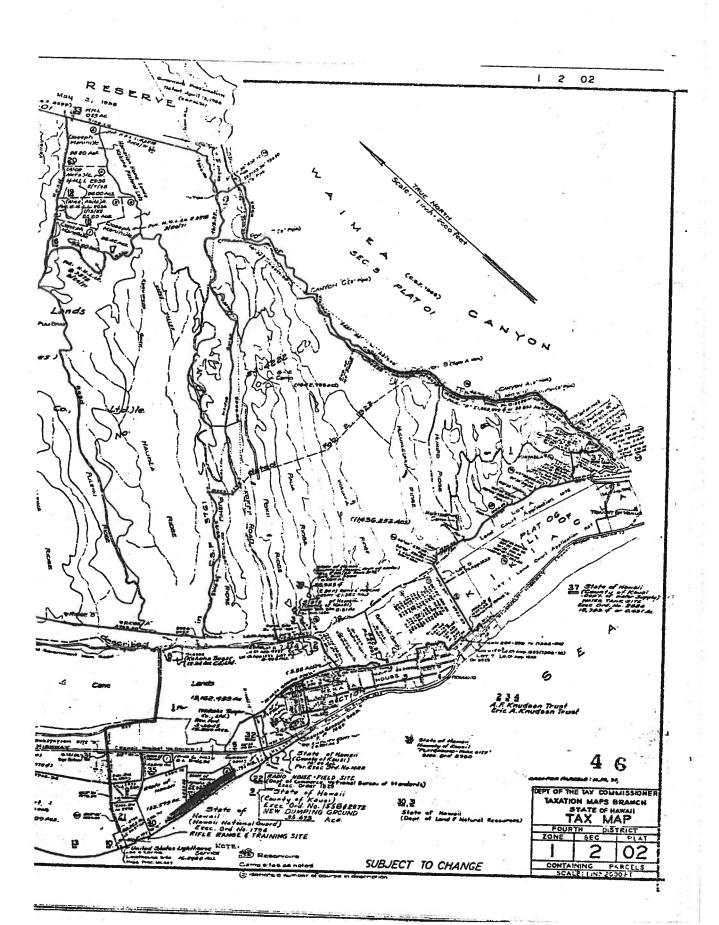
The Permittee shall furnish the State with a certificate showing such policy to be initially in force and shall furnish a like certificate upon each renewal of such policy, each such certificate to contain or be accompanied by an assurance of the insurer to notify the State of any intention to cancel any such policy sixty (60) days prior to actual cancellation. The procuring of this policy shall not release or relieve the Permittee of its responsibility under this permit as set forth herein or limit the amount of its liability under this Permit.

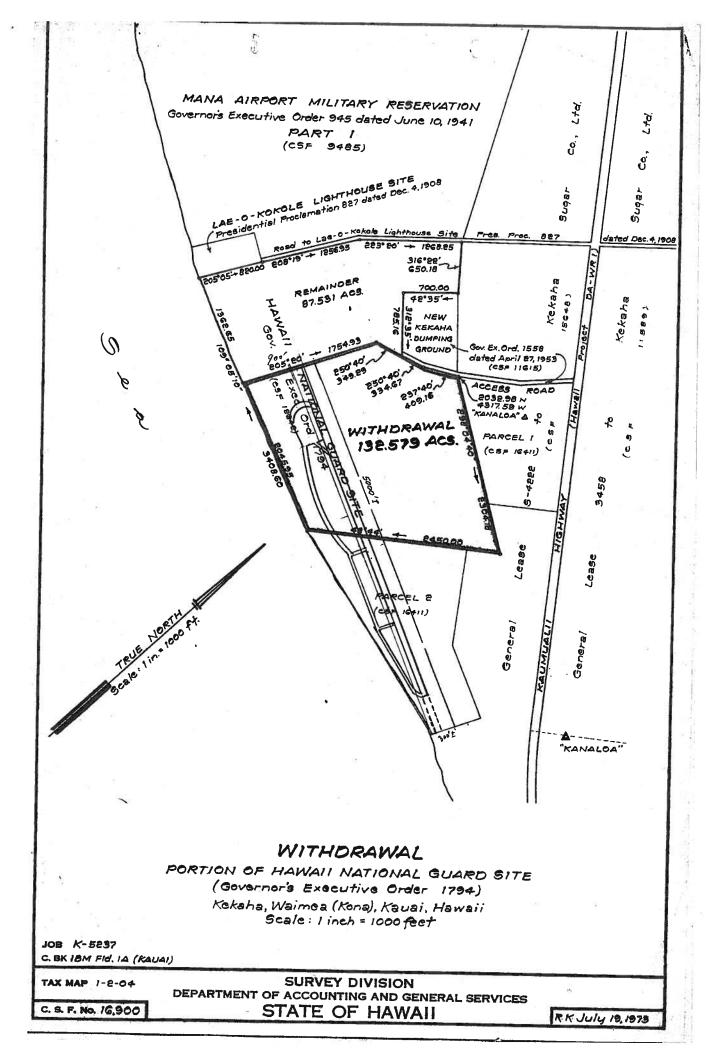
- 2. In addition to the coverage required in Paragraph 1 above, the Permittee shall obtain comprehensive liability insurance coverage in the name of the Permittee and the State in the amount of \$1,000,000.00 for every race event the Permittee holds.
- 3. The Permittee accepts the premises in an "as is" condition. The responsibility to secure the area against trespass, vandalism and other unauthorized uses shall be the sole responsibility of the Permittee.
- 4. All maintenance, repair or construction work required in connection with using or operating the facility shall be the responsibility of the Permittee.
- 5. Any plans for improvements to be made at or around the facility, whether such improvements shall be for purposes of improving the track surface, posting signs, erecting gates, fences or otherwise shall first be submitted to and approved by the Chairman before such improvements are
- 6. The premises to be covered by this permit shall include all of the track surface, including the return road, turn around, pit area, parking area, plus an adequate buffer strip around such areas.
- 7. The Permittee shall provide the Chairman with an annual schedule of races in advance of the first race.
- Other terms and conditions of the standard revocable permit document form.

,
COUNTY OF KAUAI : ss.
On this day of
EARL J. WILHELM
and RAYMOND RAPOTO , to me personally
known, who, being by me duly sworn, did say that they are the **PRESIDENT** and **DIRECTOR**.
respectively, of KAUAI RACING ASSOCIATION
and that the seal affixed to the foregoing instrument is the
corporate seal of said corporation and that said instrument was
signed and sealed in behalf of said corporation by authority of
its Board of Directors, and the said EARL J. WILHELM
and <u>PAYMOND</u> <u>RAPOZO</u> acknowledged said instrument to
be the free act and deed of said corporation.

Notary Public, Fifth Judicial Circuit, State of Hawaii

My Commission Expires: 6-30-85





LINDA LINGLE





STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES OFFICE OF CONSERVATION AND COASTAL LANDS

POST OFFICE BOX 621 HONOLULU, HAWAII 96809

LAURA H. THIELEN CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

RUSSELL Y. TSUJI FIRST DEPUTY

KEN C. KAWAHARA DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
I URBAIL OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES EMPFORCEMENT
ENGINEERING
FORESTRY AND WILDLEFE
I ILIS I ORIC PRESERVATION
KAHOOJI AWE SLAND RESERVE COMMISSION
LAND
STATE PARKS

т КА-08-168 Ь

FROM: KDLO No. 08KD-01

Central

REF:OCCL:MC

MEMORANDUM:

To:

Tommy Oi, District Land Agent

Kaua'i Land Division

FROM:

Samuel J. Lemmo, Administrator

Office of Conservation and Coastal Lands

SUBJECT:

Garden Isle Racing Association

TMK:

(4) 1-2-02:36, 40

LOCATION:

Mana, Waimea, Kaua'i

The Office of Conservation and Coastal Lands (OCCL) has reviewed the additional information and the draft Board Report regarding the issuance of a revocable permit to the Garden Isle Racing Association to utilize the Kaua'i Raceway Park facilities on the above subject parcel.

OCCL understands that the parcel was withdrawn from a portion of the Hawai'i National Guard site, pursuant to Governor's Executive Order 1794, and that drag-racing has been an on-going activity on the parcel. The current activities were approved by the Board, and the current issue is the issuance of a Revocable Permit. There are no new land uses or activities being proposed; therefore OCCL has no objections or comments on the proposal.

Please contact Michael Cain at 587-0048, should you have any questions on this matter.